

June 8, 2000

Michael G. Barrett
CHIEF INTERNET & SALES OFFICER

Elizabeth J. Cole Director, Revenue Collection Division Department of Tax Administration 12000 Government Center Parkway Suite 223 Fairfax, VA 22035

Dear Ms. Cole:

I am writing to inform you of a situation with your electronic tax payments system that has been brought to our attention by MasterCard International.

MasterCard International has notified Official Payments Corp. that Fairfax County, VA is in violation of its acceptance policy regarding discriminatory pricing. Specifically, on its website, Fairfax County promotes the acceptance of MasterCard for Internet tax payments, with a convenience fee, alongside its promotion of Electronic Check payments, without a convenience fee. MasterCard considers this to be discriminatory pricing.

To rectify this situation, Official Payments recommends that Fairfax County remove MasterCard as an option for tax payments over the Internet (see attached website page: www.co.fairfax.va.us/dta/payinfo.htm). To further address MasterCard's issue, Official Payments will add the following phrase to the Fairfax County Payment Center on the Official Payments' website: "If you wish to make a tax payment on MasterCard, please call 1-888-2PAY-TAX." We recommend that these changes be completed before July 1, 2000.

As you know, Official Payments is being required by MasterCard to notify you of this policy violation. We will continue to work on your behalf to educate MasterCard that their decision is not in the best interest of Fairfax County's citizens, and we will endeavor to develop a solution that is agreeable to all parties. We highly value our relationship with Fairfax County, and look forward to a continued partnership with you to serve the needs of your county and your constituents in the years ahead.

Sincerely,

Michael Barrett
Michael G. Barrett